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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

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GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF
A. PETERSEN WATER COMPANY FOR
APPROVAL OF AN INCREASE IN RATES.

DOCKET NO. W-02678A-10-0303

PROCEDURAL ORDER

BY THE COMMISSION:

On July 21, 2010, in this docket, A. Petersen Water Company ("APWC") filed with the Arizona Corporation Commission ("Commission") a financing application requesting authorization for a loan of \$6,225.62 from President Mark Grapp, to be paid on a monthly basis, with an interest rate of 10 percent, for one year after Commission approval, with a total amount to be repaid of \$6,567.97. APWC states that the debt was obtained in the subsidization of APWC's operations (salaries and wages, repairs and maintenance, and rents) as current tariffed rates render APWC unable to pay for its operations.

Also on July 21, 2010, in Docket No. W-02678A-10-0304, APWC filed with the Commission an application for a permanent rate increase, using a test year ending December 31, 2009. The Commission's Utilities Division ("Staff") issued a Letter of Sufficiency for the permanent rate case application on November 5, 2010, and the Staff Report in the permanent rate case docket is due on January 18, 2011, pursuant to a Procedural Order issued in that docket on January 7, 2011.

No additional filings have been made in this docket regarding the financing application.

It appears that the financing application is directly related to the permanent rate case application, as the debt incurred by APWC relates to APWC's operative expenses rather than to any proposed capital project. In addition, it is notable that the financing application requests authorization to incur debt that appears to have been incurred already and that the debt has a proposed repayment period of only 12 months. Thus, it is appropriate to require APWC and Staff to file, in this docket, their positions on consolidating the financing docket and the permanent rate case docket

1 and, additionally, their positions on whether Commission approval of the debt is required under
2 A.R.S. §§ 40-301 through 40-303.

3 IT IS THEREFORE ORDERED that APWC and Staff each shall, by January 18, 2011, file
4 with the Commission's Docket Control, in this docket, a document stating the party's position on
5 consolidating the financing docket and the permanent rate case docket and, additionally, the party's
6 position on whether Commission approval of the debt is required under A.R.S. §§ 40-301 through 40-
7 303.

8 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
9 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
10 hearing.

11 DATED this 10th day of January, 2011.


12
13 
14 SARAH N. HARPRING
15 ADMINISTRATIVE LAW JUDGE

16 Copies of the foregoing mailed/delivered
this 10th day of January, 2011, to:

17 Thomas Grapp, Vice President
18 A. Petersen Water Company, Inc.
19 P.O. Box 1270
20 Show Low, AZ 85902

21 Janice Alward, Chief Counsel
22 Legal Division
23 ARIZONA CORPORATION COMMISSION
24 1200 West Washington Street
Phoenix, AZ 85007

25 Steven M. Olea, Director
26 Utilities Division
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25 By: 
26 Debra Broyles
27 Secretary to Sarah N. Harpring
28